

## Message Text

SECRET

PAGE 01 STATE 132964  
ORIGIN NEA-10

INFO OCT-01 ISO-00 SNM-02 SS-15 SP-02 INR-07 IO-13  
NSC-05 CIAE-00 DEAE-00 /055 R

DRAFTED BY NEA/INS:DRTELLEN:JES  
APPROVED BY NEA:ADUBS  
S/NM:MCHESHES  
-----090347Z 124837 /12-S

P R 090007Z JUN 77  
FM SECSTATE WASHDC  
TO AMEMBASSY KATHMANDU PRIORITY  
INFO AMEMBASSY NEW DELHI  
USMISSION GENEVA

S E C R E T STATE 132964

E.O. 11652: GDS

TAGS: SNAR, NP

SUBJECT: OPIUM-NEPAL

REF: (A) KATHMANDU 2219; (B) STATE 122979

1. ON JUNE 8, DEPUTY ASSISTANT SECRETARY DUBS CALLED IN AMBASSADOR KHATRI TO DELIVER DEMARCHE ON OPIUM AS CONTEMPLATED REFTELS. KHATRI COMMENTED THAT HE KNEW THERE WAS A MARIHUANA PROBLEM IN NEPAL AND THAT POPPIES CAN GROW THERE, BUT THIS IS FIRST HE HAS HEARD OF COMMERCIAL PRODUCTION OF OPIUM. HE ASKED WHERE EXACTLY THE POPPIES WERE SIGHTED AND WAS TOLD IN THE FAR WESTERN HILLS.

2. FOLLOWING ARE TALKING POINTS USED WITH AMBASSADOR KHATRI, AND GIVEN TO HIM IN BLIND COURTESY COPY: QUOTE:

-- WE HAVE BEGUN TO RECEIVE FOR THE FIRST TIME FIRM REPORTS THAT OPIUM POPPIES ARE BEING CULTIVATED IN WESTERN NEPAL,  
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AND WOULD APPRECIATE AN INDICATION FROM THE GOVERNMENT OF NEPAL WHETHER THIS IS SO, AND WHETHER THERE ARE PLANS TO MOVE AGAINST THIS ILLEGAL PRODUCTION UNDER THE NEW NARCOTICS CONTROL ACT.

-- THE UNITED STATES STRONGLY BELIEVES THAT THE PROPER

APPROACH TO OPIUM IS TO DISCOURAGE THE SPREAD OF POPPY CULTIVATION, AND WE HOPE THE GOVERNMENT OF NEPAL WILL TAKE ALL POSSIBLE MEASURES TO THAT END.

-- IN LIGHT OF OUR LONG-STANDING CONCERN WITH CONTROLLING THE NARCOTICS TRAFFIC, THE EMERGENCE OF NEPAL AS A SOURCE OF ILLICIT OPIUM WOULD RAISE A SERIOUS PROBLEM IN OUR OTHERWISE SMOOTH BILATERAL RELATIONS.

-- IN THIS CONTEXT, WE ARE ALSO GREATLY CONCERNED ABOUT INDICATIONS THAT THE GOVERNMENT OF NEPAL MAY BE CONSIDERING SOME FORM OF LEGALIZED PRODUCTION OF OPIUM. WE BELIEVE THIS WOULD BE A SERIOUS MISTAKE, FOR SEVERAL REASONS:

A) THE WORLD MARKET FOR LEGAL OPIUM IS APPROACHING A SITUATION OF OVER-SUPPLY, AND CURRENT INTERNATIONAL EFFORTS ARE DIRECTED TOWARD CONTROLLING THIS OVER-SUPPLY RATHER THAN ADDING NEW PRODUCTION;

B) ARTICLE 24 OF THE SINGLE CONVENTION ON NARCOTIC DRUGS, 1961, PROHIBITS SIGNATORIES FROM IMPORTING OPIUM FROM STATES NOT PERMITTED TO EXPORT UNDER ITS PROVISIONS. EXPORTING STATES ARE THOSE WHICH, DURING THE TEN YEARS IMMEDIATELY PRIOR TO 1 JANUARY 1961 EXPORTED OPIUM, OR THOSE STATES RECEIVING SPECIAL PERMISSION FROM THE INTERNATIONAL NARCOTICS CONTROL BOARD TO EXPORT NO MORE THAN 5 TONS PER YEAR, AFTER HAVING PROVEN ADEQUATE CONTROL MECHANISMS EXIST;

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C) WE DO NOT BELIEVE LEAK-PROOF LEGAL PRODUCTION OF OPIUM COULD BE SET UP IN NEPAL, AND THEREFORE WOULD VIEW ANY ENCOURAGEMENT OF LEGAL PRODUCTION AS INEVITABLY RESULTING IN INCREASED ILLICIT PRODUCTION FOR INTERNATIONAL TRAFFIC.

-- IN VIEW OF ATTITUDES TOWARDS NARCOTICS IN THE U.S., IF NEPAL CAME TO BE PERCEIVED AS INDIFFERENT TO THE INTERNATIONAL EFFORT TO CONTROL OPIUM PRODUCTION, U.S. AID TO NEPAL WOULD BE CALLED INTO QUESTION, IN CONGRESS AND ELSEWHERE.

-- PRESIDENT CARTER IS VERY CONCERNED OVER THE INTERNATIONAL NARCOTICS CONTROL PROBLEM AND THIS MATTER RANKS AS A PRIORITY ISSUE IN U.S. FOREIGN RELATIONS. UNQUOTE.

3. IN ADDITION, DUBS EMPHASIZED THE DOMESTIC PROBLEMS THAT NARCOTICS TRAFFIC AND TRAFFICKERS CAN CAUSE FOR SOURCE COUNTRIES IF ALLOWED TO BECOME ENTRENCHED.

4. CHARGE SHOULD FOLLOW UP WITH SAME POINTS TO PRIME

MINISTER GIRI, AS SUGGESTED REF A). VANCE

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## Message Attributes

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**Review Markings:**  
Margaret P. Grafeld  
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